

WI-CARH/Rural Development Liaison Meeting
Tuesday, February 19, 2013
Rural Development Area Office
Stevens Point, WI

Those in attendance for Rural Development were Debbie Biga and Cheryl Halvorson. Mary Vinopal and Russ Endres representing WI-CARH were in attendance and Russ Kaney and David Sheperd were unable to attend.

RD Update: Debbie was not sure how the sequestration would affect the current RD budget.

MPR Prepayment: There is no report out yet for national results or how Wisconsin fared. The sample size for the nation was 666 files. We are hopeful that the report will be out soon.

Management Fees: National Offices are looking at doing a survey for 2014 budgets.

MPR notice was published and the pre-applications are due on Thursday, February 28th. There is \$19 million available on the program currently, and there are three applications in the state of Wisconsin. There are no complex deals that have been submitted for the state of Wisconsin, nor any backlogs of previously approved deals. Cheryl Halvorson mentioned that there are some minor changes to the NOFA (Notice of Funding Availability) and there may be some type of new cash flow RTO (Return To Owner) being offered.

There is still the 538 Program, which has about \$10 million available. There is no money left over from 2012 in Wisconsin as there are only two 538 deals. Debbie mentioned that the 538 Program works very well with tax credit projects.

Other RD Changes: Supervisory reviews are being proposed to change from every three years to five years. Wisconsin has a MOU (Memorandum of Understanding) pilot, and they will still need to do tri-annual reviews where WHEDA and HUD are involved. Also, Civil Rights reviews are not able to be extended for five years, however, they may be done under a desk audit. Five-year reviews would be limited to a type of property with no findings for physical reviews that have never been resolved. Surprisingly, the number of properties that have unresolved physical review problems are very high in number.

USDA Training for 2014: Rural Development recently completed its face-to-face meeting with area offices on February 7, 2013. Borrower training is suggested to take place early summer in three state locations. Suggested topics for borrower training include Unauthorized Assistance, Tenant Asset Calculations and Budget Training. Kate Blood has also volunteered to provide training with regard to the Home Program

Sue Larson has retired and now they are down to two area directors. Normally, there would be an area director for each of these state offices. There are two interim directors- Ron Bossany from Spooner and Maryann Bravo from Menomonie.

April Training. RD liked our training and we are all set. Kathy Zurawski, the Rural Development architect, will be coming down for a session, as well as two area office specialists from RD for another session.

Lease & Addendum Update: Debbie reported that there have been no complaints regarding our lease amendment; however, there have been no reviews from RD yet. We will hope that no news is good news relative to the lease.

Other Topics:

Realignment: Debbie announced that the 10 largest property management companies in Wisconsin will be assigned to a virtual office. This means that they will be dealing with one office and one person. The following offices were combined to create the virtual offices:

- Stevens Point
- Dodgeville
- Menominee
- Spooner
- Fond du Lac
- Shawano

Physical inspections and site visits will still be conducted by the closest office. The official start to this program is March 1, 2013.

Next Liaison Meeting: Our next liaison meeting is Tuesday, August 13, 2013.

Meeting Adjourned

Respectfully Submitted,
Russ Endres, Secretary